



MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 022-2006

LETTER TO COMMISSION

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: January 25, 2006

SUBJECT: **ATLANTIC BROADBAND NOTIFICATION OF A CABLE RATE INCREASE**

On January 25, 2006 the Administration received notice that Atlantic Broadband, the City's cable provider, will be making changes to their products, prices, and services effective March 1, 2006.

Attached is the letter from Mr. Kevin Maguire, Vice President and General Manager, Atlantic Broadband, explaining the price increases and their packages.

Under the Federal Telecommunications Act of 1996, as amended, the Limited Basic Service tier is the only tier of service that the City may regulate. The Limited Basic Service will remain at \$12.48 per month.

REP
JMG\REP

c: Murray Dubbin, City Attorney
Tim Hemstreet, Assistant City Manager
Hilda Fernandez, Assistant City Manager

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1681 Kennedy Causeway
North Bay Village, FL 33141

305.861.8069 PHONE
305.861.9047 FAX

January 20, 2006

Mr. Robert Parcher
City of Miami Beach
1700 Convention Center Dr.
Miami Beach, Fl. 33139

Dear Mr. Parcher;

As your full-service Digital Cable and High Speed Internet provider, Atlantic Broadband is committed to keeping you informed about changes in our products, prices, and services. As we enter the New Year, we want to advise you of the many improvements we have already, and to inform you of what is planned for 2006.

We recognize that the primary concern of most cable subscribers is that of the system quality and reliability. In 2005, we upgraded the infrastructure of our High Speed Internet service to improve reliability and increase speed. We also continued to upgrade our plant distribution network installing additional fiber optic nodes and back-up power supplies. These improvements are providing enhanced digital picture quality and greater capacity for advanced services to your constituents.

Of course, quality service requires a high level of customer care. Therefore, we continued adjusting our staffing hours and levels to meet the dynamic needs of our customer base. Customers can continue to reach an Atlantic Broadband representative twenty-four hours a day, every day.

Our investments in South Florida are yielding big improvements and bringing exciting new services to our customers here:

- During 2005, we introduced the most technologically advanced multi-room Digital Video Recording service available today, giving our customers the power to watch what they want, whenever they want, as well as pause live TV and record two programs while watching a third on multiple converters.
- We added two new programming services to our Value Basic Line-Up (WGEN channel 11 and Azteca America channel 80).
- For HDTV customers, we have added five new HD channels: Cinemax HD, ESPN 2 HD, TNT HD, PBS HD, and WBFS – 33 UPB HD.

Our popular new channels, advanced services, improved customer care, and the investments in our system and technology are all part of Atlantic Broadband's commitment to providing the service our customers deserve and demand. But they also

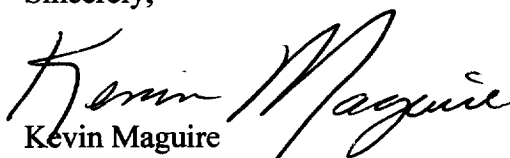
represent major expenses for our company, and that is why we find it necessary to adjust some of our prices effective March 1, 2006. The following is an outline of some of the key features:

- With our most cost-conscious customers in mind, there will be no increase in the price for Limited Basic Cable Service. The price for this service will remain at \$12.48 per month.
- The monthly fee for Value (Expanded) service will be adjusted from \$46.50 to \$48.95 per month. This adjustment of \$2.45 represents an increase of approximately 5%.
- Our optional monthly Premium Movie service fees will also be adjusted as a result of increased programming costs. Customers with 1 Premium (HBO, Cinemax, or Showtime) from \$12.95 to \$14.95/mnth; 2 Premiums from \$21.95 to \$24.95/mnth; all 3 Premiums from \$29.95 to \$33.95/mnth.
- For the customers who receive the Value Service in conjunction with Digital Service, their monthly fee will change from \$63.45 to \$67.90. This will be the first increase on Atlantic Broadband Digital Service in nearly two years. During this time, Digital Services has been expanded to include great new channels such as 10 STARZ & ENCORE premium movie channels, NFL Network, NBC Weather Plus, LOGO and additional PBS channels.
- Please note that these changes affect less than half of our customers.

Of course, all affected subscribers will be provided with the details of all changes this week. Copies of those notices are enclosed for your information.

All of us at Atlantic Broadband hope you join us in our enthusiasm for what has been accomplished in the last year. Equally important, next year will bring continued investment in your community, as well as a continuation of our efforts to enhance and improve your broadband communications system. As always, I welcome your comments and any questions you may have.

Sincerely,


Kevin Maguire
Atlantic Broadband
Vice President & General Manager

X-20902

IMPORTANT RATE INFORMATION FOR ATLANTIC BROADBAND RESIDENTIAL CUSTOMERS

Effective with your March 2006 bill statement, Atlantic Broadband will be adjusting rates for the following Video services and High-Speed Internet services:

Video Services

Our Value Video service will go from \$46.50 to \$48.95/month. Digital Service (including Value Video and receiver) will go from \$63.45 to \$67.90/month. Digital Only Service and receiver will go from \$16.95 to \$18.95/month. This will be the first rate increase on our Atlantic Broadband Digital service in nearly two years. During this time, our Digital service has been expanded to include such great channels as 10 Starz & Encore premium movie channels, NFL Network, NBC Weather Plus, LOGO and new PBS channels. These adjustments are driven by increased programming and operational costs and will ensure that Atlantic Broadband can continue to deliver you the high-quality services you deserve.

Our optional monthly Premium Movie service fees will also be adjusted as a result of increased programming costs. Customers with 1 Premium (HBO, Cinemax or Showtime) from \$12.95 to \$14.95/mth; 2 Premiums from \$21.95 to \$24.95/mth; all 3 Premiums from \$29.95 to \$33.95/mth.

As always, we appreciate your business and welcome your feedback. Please contact us at 888-486-7351 with any questions.

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High-Speed Internet Services

Over the past year, Atlantic Broadband has invested in and introduced great enhancements to our High-Speed Internet services including increased speeds and unlimited email storage. We are pleased to offer such a powerful service and will be adjusting the rate on all High-Speed Internet services by only \$1.00/month.



X-20902

INFORMACIÓN IMPORTANTE SOBRE TARIFAS PARA CLIENTES RESIDENCIALES DE ATLANTIC BROADBAND

A partir de su estado de cuenta del mes de marzo del 2006, Atlantic Broadband ajustará las tarifas de los siguientes servicios de video y servicios de internet de alta velocidad:

Servicios de Video

Nuestro servicio Value Video pasará de \$46.50 a \$48.95/mes. El servicio Digital (que incluye Value Video con receptor) pasará de \$63.45 a \$67.90/mes. El servicio Digital Only con receptor pasará de \$16.95 a \$18.95/mes. Este será el primer incremento de tarifas en nuestro servicio Digital de Atlantic Broadband en casi dos años. Durante este tiempo, nuestro servicio Digital ha sido ampliado para incluir fabulosos canales como diez canales de películas premium Starz y Encore, NFL Network, NBC Weather Plus, LOGO y los nuevos canales de PBS. Estos ajustes se deben al aumento de los costos de programación y de operación, y garantizan que Atlantic Broadband pueda continuar ofreciéndole los servicios de alta calidad que usted se merece.

Como resultado del aumento de los costos de programación, también se ajustarán las tarifas mensuales de nuestro servicio Premium Movie opcional. Para los clientes con 1 Premium (HBO, Cinemax o Showtime) el costo pasará de \$12.95 a \$14.95/mes; con 2 Premiums pasará de \$21.95 a \$24.95/mes y con los tres Premiums pasará de \$29.95 a \$33.95/mes.

Como siempre, le agradecemos su interés y apreciamos sus comentarios. En caso de tener alguna pregunta, comuníquese con nosotros, llamando al 888-486-7351.

Servicios de Internet de Alta Velocidad

En el transcurso del año pasado, Atlantic Broadband invirtió e introdujo excelentes mejoras a nuestros servicios de internet de alta velocidad, incluyendo velocidades más rápidas y capacidad ilimitada de almacenamiento de correo electrónico. Nos complace ofrecerle un servicio tan potente y aumentaremos la tarifa de todos los servicios de internet de alta velocidad tan sólo \$1.00/mes.

